

TABLE 1. Basic cost information for De Baca County, 2003.

| Item | | | |
|---------------------------------|------------------------------|--|---------|
| Labor Wage Rate: | | | |
| Equipment operators | \$/hour | | \$6.75 |
| General & Irrigators | \$/hour | | \$6.45 |
| Purchased Inputs: | | | |
| Fertilizer: | | | |
| Nitrogen (N) | \$/pound | | \$0.36 |
| Phosphate (P205) | \$/pound | | \$0.33 |
| Seed: | | | |
| Alfalfa | \$/pound | | \$3.00 |
| Wheat | \$/pound | | \$0.13 |
| Oat Hay | \$/pound | | 0.4 |
| Hygear | \$/pound | | 0.6 |
| LP | | | \$1.21 |
| Baling wire | \$/pound | | \$0.39 |
| Canal water | \$/acre | | \$42.50 |
| Energy: | | | |
| Natural gas | \$/MCF | | 3.28 |
| Diesel fuel | \$/gallon | | \$1.30 |
| Gasoline | \$/gallon | | \$1.35 |
| Electricity (Farmers Elec Coop) | cents/KwHr | | \$9.55 |
| Employee Liability Insurance | \$/ \$1,000 wages | | 25.00% |
| Employee Benefits | percent/w ages | | 0.25 |
| Labor Downtime | percent | | 25.00% |
| Financial Rates: | | | |
| Operating Capital Interest Rate | percent | | 8.00% |
| Land Interest Rate | percent | | 7.00% |
| Equipment Interest Rate | percent | | 8.00% |
| Real Interest Rate | percent | | 4.00% |
| Land Taxes | \$75.00 /acre (full value) | | |
| Personal Property Tax Rate - NR | \$/ \$1,000 (Assessed Value) | | \$24.18 |
| - R | | | \$24.06 |
| Supervision Factors | | | |
| Field Crop-Irrigation | \$/labor hour | | 0.07 |
| Field Crop-Equipment & General | \$/labor hour | | 0.1 |
| Management Rate | percent | | 7.00% |

BUDGET AREA..... DE BACA COUNTY, 2003.
 FARM SIZE 100 ACRES
 IRRIGATION TYPE..... FLOOD
 NUMBER OF CROPS... 4

| WATER USE | | | |
|------------------------------------|------------------|------------------|---------------|
| ACREAGE SUMMARY: | LAND USE (ACRES) | AC. IN. PER ACRE | TOTAL AC. IN. |
| ALFALFA ESTABLISHMENT * | 13.0 | 12 | 156 |
| ALFALFA | 65.0 | 36 | 2,340 |
| WHEAT | 17.0 | 20 | 340 |
| APR | 0.0 | | |
| FLEX IN HYGEAR | 3.0 | 12 | 36 |
| OAT HAY | 10.0 | 20 | 200 |
| HYGEAR * | 14.0 | 12 | 168 |
| ROADS, HOMESTEAD | 5.0 | | |
| TOTAL | 100.0 | | 3,240 |
| ACRE FEET PER ACRE OF WATER RIGHTS | | | 2.70 |

* DOUBLE-CROPPED

TABLE 1a. Overhead cost information for De Baca County, 2003.

| ITEM | | | |
|------------------------------------|---------|--------------------|---------|
| Electricity (Domestic & Shop) | | \$106.00 per month | \$1,272 |
| Telephone | | \$82.00 per month | \$984 |
| Accounting & Legal | | | \$450 |
| Misc. Supplies & Hand Tools | | | \$730 |
| Pickup and Auto | | | |
| miles | 2,100 @ | \$0.365 per mile | \$767 |
| Insurance | | | |
| - general liability (non-employee) | | | \$950 |
| - fire/theft | | | \$625 |
| Property Taxes | | | |
| - non-planted land | | | \$30 |
| - other than land & machinery | | | \$295 |
| Building repairs and maintenance | | | \$475 |
| Dues, fees, publications | | | \$250 |
| Farmstead Equipment | | | \$165 |
| Total | | | \$6,992 |
| Total Per Planted Acre | | | \$73.60 |

TABLE 2. Equipment summary for a 100 acre flood-irrigated farm with above average management, De Baca County, 2003.

| EQUIPMENT | | VARIABLE COSTS | | | | | | FIXED COSTS | | |
|---------------------|---------------------|----------------|-----------------|--------------------|--------------|-------------------|---------------|----------------|--------------|----------------|
| ITEM & SIZE | ANNUAL HOURS OF USE | NUMBER | TOTAL VALUE | FUEL AND LUBRICANT | REPAIR | FUEL, LUBE PER HR | REPAIR PER HR | DEPRECIATION | TAXES | TOTAL PER HOUR |
| TRACTOR 65 HP | 269 | 1 | \$2,400 | \$1,766 | \$302 | \$6.56 | \$1.12 | \$138 | \$22 | \$0.59 |
| FLOAT 10 FT | 3 | 1 | \$450 | | \$0 | | \$0.01 | \$47 | \$3 | \$15.86 |
| SWATHER 14 FT (OLD) | 56 | 1 | \$2,400 | \$274 | \$71 | \$4.87 | \$1.26 | \$700 | \$56 | \$13.43 |
| BALER PTO 2-WIRE | 74 | 1 | \$1,500 | | \$83 | | \$1.12 | \$385 | \$31 | \$5.63 |
| PLOW 2-16 IN | 60 | 1 | \$250 | | \$10 | | \$0.16 | \$33 | \$2 | \$0.59 |
| DISC 12 FT | 17 | 1 | \$2,250 | | \$33 | | \$1.94 | \$300 | \$18 | \$18.71 |
| DRILL 10 FT | 14 | 1 | \$1,800 | | \$19 | | \$1.37 | \$360 | \$15 | \$26.28 |
| LAND PLANE 12 FT | 23 | 1 | \$2,500 | | \$7 | | \$0.30 | \$333 | \$20 | \$15.34 |
| BALEWAGON, PTO | 70 | 1 | \$4,200 | | \$417 | | \$5.92 | \$800 | \$64 | \$12.28 |
| BORDER DISC 6 DISC | 2 | 1 | \$750 | | \$2 | | \$0.93 | \$100 | \$6 | \$53.02 |
| FERT SPREADER | 5 | 1 | \$1,200 | | \$3 | | \$0.46 | \$153 | \$9 | \$29.84 |
| | | | <u>\$19,700</u> | <u>\$2,040</u> | <u>\$945</u> | | | <u>\$3,349</u> | <u>\$247</u> | |

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TABLE 3. Alfalfa establishment, flood-irrigated, budgeted per acre costs and returns for a 100 acre farm with above average management, De Baca County, 2003.
Planting Dates: August 25 - September 30

| ITEM | PRICE | QUANTITY | PURCHASED INPUTS | | | | | TOTAL |
|----------------------------|------------|---------------------|------------------|---------|-------------|---------|------------|----------|
| <u>PURCHASED INPUTS</u> | | | | | | | | |
| SEED | \$3.00 | 25 LBS | | | | | | \$75.00 |
| CANAL WATER | | 12 AC. IN. | | | | | | |
| SUBTOTAL | | | | | | | | \$75.00 |
| PREHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
| DISC | 65 HP | 0.17 HR | | \$1.15 | \$1.12 | \$0.52 | \$3.28 | \$6.07 |
| PLOW | 65 HP | 1.05 HR | | \$7.09 | \$6.89 | \$1.35 | \$1.24 | \$16.57 |
| DISC | 65 HP | 0.17 HR | | \$1.15 | \$1.12 | \$0.52 | \$3.28 | \$6.07 |
| LAND PLANE (4X) | 65 HP | 0.96 HR | | \$6.48 | \$6.30 | \$1.37 | \$15.30 | \$29.44 |
| DISC | 65 HP | 0.17 HR | | \$1.15 | \$1.12 | \$0.52 | \$3.28 | \$6.07 |
| BORDER DISC | 65 HP | 0.05 HR | | \$0.34 | \$0.33 | \$0.10 | \$2.68 | \$3.45 |
| FLOAT | 65 HP | 0.24 HR | | \$1.62 | \$1.58 | \$0.27 | \$3.95 | \$7.42 |
| DRILL | 65 HP | 0.25 HR | | \$1.69 | \$1.64 | \$0.62 | \$6.72 | \$10.67 |
| IRRIGATE (4X) | | 2.00 HR | | \$12.90 | | | | \$12.90 |
| SUBTOTAL | | 5.06 HR | | \$33.56 | \$20.08 | \$5.27 | \$39.74 | \$98.64 |
| <u>OVERHEAD EXPENSES</u> | | | | | | | | |
| DOWNTIME | | 0.77 HR | | \$5.16 | | | | \$5.16 |
| EMPLOYEE BENEFITS | | | | \$8.39 | | | | \$8.39 |
| INSURANCE | | | \$0.01 | | | | | \$0.01 |
| SUPERVISION AND MANAGEMENT | | | | \$12.60 | | | | \$12.60 |
| SUBTOTAL | | 0.77 HR | \$0.01 | \$26.15 | | | | \$26.16 |
| TOTAL OPERATING EXPENSES | | 5.83 HR | \$75.01 | \$59.71 | \$20.08 | \$5.27 | \$39.74 | \$199.81 |

TABLE 4. Alfalfa hay, flood-irrigated, budgeted per acre costs and returns for a 100 acre farm with above average management, De Baca County, 2003.
Harvesting Dates: May 20 - October 30

| ITEM | PRICE | YIELD | | | | | | | TOTAL |
|----------------------------------|------------|---------------------|------------------|----------|-------------|---------|------------|------------|----------|
| GROSS RETURNS | | | | | | | | | |
| HAY | \$140.00 | 5.00 TONS (STACKED) | | | | | | | \$700.00 |
| GRAZING | \$12.50 | 1.00 ACRE | | | | | | | \$12.50 |
| TOTAL | | | | | | | | \$712.50 | |
| PURCHASED INPUTS | | | | | | | | | |
| PURCHASED INPUTS | PRICE | QUANTITY | PURCHASED INPUTS | | | | | FIXED COST | TOTAL |
| PHOSPHATE (P205) | \$0.33 | 130 LBS | \$42.90 | | | | | | \$42.90 |
| WIRE | \$0.39 | 43 LBS | \$16.77 | | | | | | \$16.77 |
| ESTABLISHMENT: Principal | | 5 YEARS | | | | | | \$39.96 | \$39.96 |
| : Interest | | | | | | | | \$8.08 | \$8.08 |
| INSECTICIDE (CUSTOM) | \$16.09 | 2 X/ACRE | \$32.18 | | | | | | \$32.18 |
| CANAL WATER | | 36 AC. IN. | \$42.50 | | | | | | \$42.50 |
| SUBTOTAL | | | \$134.35 | | | | | \$48.04 | \$182.39 |
| PREHARVEST OPERATIONS | | | | | | | | | |
| PREHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL | |
| FERT SPREADER | 65 HP | 0.05 HR | | \$0.34 | \$0.33 | \$0.08 | \$1.52 | \$2.27 | |
| IRRIGATE (8X) | | 4.00 HR | | \$25.80 | | | | \$25.80 | |
| SUBTOTAL | | | | \$26.14 | \$0.33 | \$0.08 | \$1.52 | \$28.07 | |
| HARVEST OPERATIONS | | | | | | | | | |
| SWATHER (5X) | 14 FT | 0.80 HR | | \$5.40 | \$3.89 | \$1.01 | \$10.74 | \$21.05 | |
| BALER (5X) | 65 HP | 1.05 HR | | \$7.09 | \$6.89 | \$2.35 | \$6.53 | \$22.86 | |
| BALEWAGON PTO (5X) | 65 HP | 1.00 HR | | \$6.75 | \$6.56 | \$7.04 | \$12.87 | \$33.23 | |
| SUBTOTAL | | | | \$19.24 | \$17.35 | \$10.40 | \$30.15 | \$77.14 | |
| OVERHEAD EXPENSES | | | | | | | | | |
| DOWNTIME | | 0.73 HR | | \$4.89 | | | | \$4.89 | |
| EMPLOYEE BENEFITS | | | | \$11.34 | | | | \$11.34 | |
| INSURANCE | | | \$0.01 | | | | \$0.00 | \$0.01 | |
| LAND TAXES | | | | | | | | \$0.00 | |
| SUPERVISION AND MANAGEMENT | | | | \$50.45 | | | | \$50.45 | |
| OTHER EXPENSES | | | \$73.60 | | | | | \$73.60 | |
| SUBTOTAL | | | | \$73.61 | \$66.68 | | \$0.00 | \$140.30 | |
| TOTAL OPERATING EXPENSES | | 7.63 HR | \$207.96 | \$112.06 | \$17.68 | \$10.48 | \$79.71 | \$427.89 | |
| NET OPERATING PROFIT | | | | | | | | \$284.61 | |
| INTEREST ON OPERATING CAPITAL | (| \$69.59 | @ | 8.00% |) | | | \$5.57 | |
| INTEREST ON EQUIPMENT INVESTMENT | | | | | | | | \$23.98 | |
| RETURN TO LAND AND RISK | | | | | | | | \$255.06 | |

BUDGET SUMMARY

| | | | |
|-------------------------------|----------|----------|---|
| GROSS RETURN | | \$712.50 | |
| VARIABLE OPERATING EXPENSES | \$236.12 | | |
| RETURN OVER VARIABLE EXPENSES | | \$476.38 | (GROSS MARGIN) |
| FIXED EXPENSES | \$79.71 | | |
| NET FARM INCOME | | \$396.67 | (RETURN TO CAPITAL, LABOR, LAND & RISK) |
| LABOR AND MANAGEMENT COST | \$112.06 | | |
| NET OPERATING PROFIT | | \$284.61 | (RETURN TO CAPITAL, LAND & RISK) |
| CAPITAL COSTS | \$29.55 | | |
| RETURN TO LAND AND RISK | | \$255.06 | |

TABLE 5. Wheat for grain, flood-irrigated, budgeted per acre costs and returns for a 100 acre farm with above average management, De Baca County, 2003.
 Planting Dates: September 1 - October 15
 Harvesting Dates: June 20 - July 1

| ITEM | PRICE | YIELD | | | | | | | TOTAL |
|----------------------------------|------------|---------------------|-----------|------------------|----------------|----------------|---------------|----------------|-----------------|
| GROSS RETURNS | | | | | | | | | |
| WHEAT FOR GRAIN | \$4.50 | 65.00 | BUSHEL | | | | | | \$292.50 |
| ASCS DEFICIENCY | \$0.474 | 65.00 | BUSHEL | | | | | | \$30.81 |
| COUNTER CYCLICAL PAYMENT | \$0.00 | | | | | | | | \$0.00 |
| GRAZING | \$25.00 | 1.00 | ACRE | | | | | | \$25.00 |
| TOTAL | | | | | | | | | \$348.31 |
| PURCHASED INPUTS | | | | | | | | | |
| PURCHASED INPUTS | PRICE | QUANTITY | | PURCHASED INPUTS | | | | | TOTAL |
| SEED | \$0.13 | 80 | LBS | | \$10.40 | | | | \$10.40 |
| NITROGEN (N) | \$0.36 | 60 | LBS | | \$21.60 | | | | \$21.60 |
| CANAL WATER | | 20 | AC. IN. | | \$42.50 | | | | \$42.50 |
| CROP INSURANCE | \$2.94 | | | | \$2.94 | | | | \$2.94 |
| SUBTOTAL | | | | | \$77.44 | | | | \$77.44 |
| PREHARVEST OPERATIONS | | | | | | | | | |
| PREHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
| PLOW | 65 HP | 1.05 | HR | | \$7.09 | \$6.89 | \$1.35 | \$1.24 | \$16.57 |
| DISC | 65 HP | 0.17 | HR | | \$1.15 | \$1.12 | \$0.52 | \$3.28 | \$6.07 |
| FERT SPREADER | 65 HP | 0.05 | HR | | \$0.34 | \$0.33 | \$0.08 | \$1.52 | \$2.27 |
| LAND PLANE | 65 HP | 0.24 | HR | | \$1.62 | \$1.58 | \$0.34 | \$3.82 | \$7.36 |
| BORDER DISC | 65 HP | 0.05 | HR | | \$0.34 | \$0.33 | \$0.10 | \$2.68 | \$3.45 |
| DRILL | 65 HP | 0.25 | HR | | \$1.69 | \$1.64 | \$0.62 | \$6.72 | \$10.67 |
| IRRIGATE (5X) | | 2.50 | HR | | \$16.13 | | | | \$16.13 |
| SUBTOTAL | | 4.31 | HR | \$0.00 | \$28.34 | \$11.88 | \$3.01 | \$19.27 | \$62.51 |
| HARVEST OPERATIONS | | | | | | | | | |
| COMBINE (CUSTOM) | | | | | \$19.45 | | | | \$19.45 |
| HAUL (CUSTOM) | | | | | \$11.05 | | | | \$11.05 |
| SUBTOTAL | | | | | \$30.50 | | | | \$30.50 |
| OVERHEAD EXPENSES | | | | | | | | | |
| DOWNTIME | | 0.45 | HR | | \$3.05 | | | | \$3.05 |
| EMPLOYEE BENEFITS | | | | | \$7.09 | | | | \$7.09 |
| INSURANCE | | | | | \$0.01 | | | | \$0.01 |
| LAND TAXES | | | | | | | | \$0.00 | \$0.00 |
| SUPERVISION AND MANAGEMENT | | | | | \$24.74 | | | | \$24.74 |
| OTHER EXPENSES | | | | | \$73.60 | | | | \$73.60 |
| SUBTOTAL | | 0.45 | HR | \$73.61 | \$34.88 | | | \$0.00 | \$108.49 |
| TOTAL OPERATING EXPENSES | | 4.76 | HR | \$181.55 | \$63.22 | \$11.88 | \$3.01 | \$19.27 | \$278.93 |
| NET OPERATING PROFIT | | | | | | | | | \$69.38 |
| INTEREST ON OPERATING CAPITAL | (| \$44.99 | @ | 8.00% |) | | | | \$3.60 |
| INTEREST ON EQUIPMENT INVESTMENT | | | | | | | | | \$10.58 |
| RETURN TO LAND AND RISK | | | | | | | | | \$55.19 |

BUDGET SUMMARY

| | | | |
|-------------------------------|----------|----------|---|
| GROSS RETURN | | \$348.31 | |
| VARIABLE OPERATING EXPENSES | \$196.44 | | |
| RETURN OVER VARIABLE EXPENSES | | \$151.87 | (GROSS MARGIN) |
| FIXED EXPENSES | \$19.27 | | |
| NET FARM INCOME | | \$132.60 | (RETURN TO CAPITAL, LABOR, LAND & RISK) |
| LABOR AND MANAGEMENT COST | \$63.22 | | |
| NET OPERATING PROFIT | | \$69.38 | (RETURN TO CAPITAL, LAND & RISK) |
| CAPITAL COSTS | \$14.18 | | |
| RETURN TO LAND AND RISK | | \$55.19 | |

TABLE 6. Oat hay, flood-irrigated, budgeted per acre costs and returns for a 100 acre farm with above average management, De Baca County, 2003.

Planting dates: March 1 - March 15

Harvesting Dates: July 1 - July 15

| ITEM | PRICE | YIELD | | | | | | | TOTAL |
|----------------------------------|------------|---------------------|---------|------------------|---------|-------------|---------|------------|----------|
| GROSS RETURNS | | | | | | | | | |
| OAT HAY | \$120.00 | 2.50 TONS (STACKED) | | | | | | | \$300.00 |
| TOTAL | | | | | | | | | \$300.00 |
| PURCHASED INPUTS | | | | | | | | | |
| PURCHASED INPUTS | PRICE | QUANTITY | | PURCHASED INPUTS | | | | | TOTAL |
| SEED | \$0.40 | 100 | LBS | \$40.00 | | | | | \$40.00 |
| NITROGEN (N) | \$0.36 | 40 | LBS | \$14.40 | | | | | \$14.40 |
| WIRE | \$0.39 | 21 | LBS | \$8.36 | | | | | \$8.36 |
| CANAL WATER | | 20 | AC. IN. | \$42.50 | | | | | \$42.50 |
| SUBTOTAL | | | | | | | | | \$105.26 |
| PREHARVEST OPERATIONS | | | | | | | | | |
| PREHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
| PLOW | 65 HP | 1.05 | HR | | \$7.09 | \$6.89 | \$1.35 | \$1.24 | \$16.57 |
| DISC | 65 HP | 0.17 | HR | | \$1.15 | \$1.12 | \$0.52 | \$3.28 | \$6.07 |
| FERT SPREADER | 65 HP | 0.05 | HR | | \$0.34 | \$0.33 | \$0.08 | \$1.52 | \$2.27 |
| LAND PLANE | 65 HP | 0.24 | HR | | \$1.62 | \$1.58 | \$0.34 | \$3.82 | \$7.36 |
| BORDER DISC | 65 HP | 0.05 | HR | | \$0.34 | \$0.33 | \$0.10 | \$2.68 | \$3.45 |
| DRILL | 65 HP | 0.25 | HR | | \$1.69 | \$1.64 | \$0.62 | \$6.72 | \$10.67 |
| IRRIGATE (5X) | | 2.50 | HR | | \$16.13 | | | | \$16.13 |
| SUBTOTAL | | | | | | | | | \$62.51 |
| HARVEST OPERATIONS | | | | | | | | | |
| SWATHER | 14 FT | 0.16 | HR | | \$1.08 | \$0.78 | \$0.20 | \$2.15 | \$4.21 |
| BALER | 65 HP | 0.21 | HR | | \$1.42 | \$1.38 | \$0.47 | \$1.31 | \$4.57 |
| BALEWAGON | 65 HP | 0.20 | HR | | \$1.35 | \$1.31 | \$1.41 | \$2.57 | \$6.65 |
| SUBTOTAL | | | | | | | | | \$15.43 |
| OVERHEAD EXPENSES | | | | | | | | | |
| DOWNTIME | | 0.60 | HR | | \$4.02 | | | | \$4.02 |
| EMPLOYEE BENEFITS | | | | | \$8.05 | | | | \$8.05 |
| INSURANCE | | | | \$0.01 | | | | | \$0.01 |
| LAND TAXES | | | | | | | \$0.00 | | \$0.00 |
| SUPERVISION AND MANAGEMENT | | | | | \$21.93 | | | | \$21.93 |
| OTHER EXPENSES | | | | \$36.80 | | | | | \$36.80 |
| SUBTOTAL | | | | | | | | | \$70.80 |
| TOTAL OPERATING EXPENSES | | 5.48 | HR | \$142.06 | \$66.18 | \$15.35 | \$5.09 | \$25.30 | \$253.99 |
| NET OPERATING PROFIT | | | | | | | | | \$46.01 |
| INTEREST ON OPERATING CAPITAL | (| \$56.81 | @ | 8.00% |) | | | | \$4.55 |
| INTEREST ON EQUIPMENT INVESTMENT | | | | | | | | | \$15.20 |
| RETURN TO LAND AND RISK | | | | | | | | | \$26.26 |

BUDGET SUMMARY

| | | | |
|-------------------------------|----------|----------|---|
| GROSS RETURN | | \$300.00 | |
| VARIABLE OPERATING EXPENSES | \$162.51 | | |
| RETURN OVER VARIABLE EXPENSES | \$137.49 | | (GROSS MARGIN) |
| FIXED EXPENSES | \$25.30 | | |
| NET FARM INCOME | \$112.19 | | (RETURN TO CAPITAL, LABOR, LAND & RISK) |
| LABOR AND MANAGEMENT COST | \$66.18 | | |
| NET OPERATING PROFIT | \$46.01 | | (RETURN TO CAPITAL, LAND & RISK) |
| CAPITAL COSTS | \$19.75 | | |
| RETURN TO LAND AND RISK | \$26.26 | | |

TABLE 7. Hygear, flood-irrigated, budgeted per acre costs and returns for a 100 acre farm with above average management, De Baca County, 2003.
 Planting Dates: July 5 - July 20
 Harvesting Dates: September 15 - October 15

| ITEM | PRICE | YIELD | | | | | | | TOTAL | |
|----------------------------------|------------|---------------------|----------------|------------------|----------|-------------|---------|------------|----------|----------|
| GROSS RETURNS | | | | | | | | | | |
| HYGEAR | \$105.00 | 4.50 | TONS (STACKED) | | | | | | | \$472.50 |
| TOTAL | | | | | | | | | \$472.50 | |
| PURCHASED INPUTS | | | | | | | | | | |
| PURCHASED INPUTS | PRICE | QUANTITY | | PURCHASED INPUTS | | | | | | TOTAL |
| SEED | \$0.60 | 70 | LBS | | \$42.00 | | | | | \$42.00 |
| NITROGEN (N) | \$0.36 | 40 | LBS | | \$14.40 | | | | | \$14.40 |
| CANAL WATER | | 12 | AC. IN. | | \$21.25 | | | | | \$21.25 |
| SUBTOTAL | | | | \$77.65 | | | | | | \$77.65 |
| PREHARVEST OPERATIONS | | | | | | | | | | |
| | POWER UNIT | ACCOMPLISHMENT RATE | | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL | |
| PLOW | 65 HP | 1.05 | HR | | \$7.09 | \$6.89 | \$1.35 | \$1.24 | \$16.57 | |
| DISC (2X) | 65 HP | 0.34 | HR | | \$2.30 | \$2.23 | \$1.04 | \$6.56 | \$12.13 | |
| FERT SPREADER | 65 HP | 0.05 | HR | | \$0.34 | \$0.33 | \$0.08 | \$1.52 | \$2.27 | |
| LAND PLANE | 65 HP | 0.24 | HR | | \$1.55 | \$1.58 | \$0.34 | \$3.82 | \$7.29 | |
| DRILL | 65 HP | 0.25 | HR | | \$1.69 | \$1.64 | \$0.62 | \$6.72 | \$10.67 | |
| IRRIGATE (4X) | | 2.00 | HR | | \$12.90 | | | | \$12.90 | |
| SUBTOTAL | | 3.93 | HR | | \$25.86 | \$12.67 | \$3.43 | \$19.87 | \$61.82 | |
| HARVEST OPERATIONS | | | | | | | | | | |
| SWATHER | 14 FT | 0.16 | HR | | \$1.03 | \$0.78 | \$0.20 | \$2.15 | \$4.16 | |
| BALER | 65 HP | 0.21 | HR | | \$1.35 | \$1.38 | \$0.47 | \$1.31 | \$4.51 | |
| BALE WAGON | 65 HP | 0.20 | HR | | \$1.29 | \$1.31 | \$1.41 | \$2.57 | \$6.59 | |
| SUBTOTAL | | 0.57 | HR | | \$0.00 | \$3.68 | \$3.47 | \$2.08 | \$6.03 | \$15.26 |
| OVERHEAD EXPENSES | | | | | | | | | | |
| DOWNTIME | | 1.05 | HR | | \$7.10 | | | | \$7.10 | |
| EMPLOYEE BENEFITS | | | | | \$7.38 | | | | \$7.38 | |
| INSURANCE | | | | | \$0.01 | | | | \$0.01 | |
| LAND TAXES | | | | | | | | \$0.00 | \$0.00 | |
| SUPERVISION AND MANAGEMENT | | | | | \$33.47 | | | | \$33.47 | |
| OTHER EXPENSES | | | | | \$36.80 | | | | \$36.80 | |
| SUBTOTAL | | 1.05 | HR | | \$36.81 | \$47.95 | | \$0.00 | \$84.76 | |
| TOTAL OPERATING EXPENSES | | 5.55 | HR | | \$114.46 | \$77.48 | \$16.14 | \$5.51 | \$25.90 | \$239.49 |
| NET OPERATING PROFIT | | | | | | | | | \$233.01 | |
| INTEREST ON OPERATING CAPITAL | (| \$43.31 | @ | 8.00% |) | | | | \$3.46 | |
| INTEREST ON EQUIPMENT INVESTMENT | | | | | | | | | \$15.60 | |
| RETURN TO LAND AND RISK | | | | | | | | | \$213.94 | |

BUDGET SUMMARY

| | | | |
|-------------------------------|----------|----------|---|
| GROSS RETURN | | \$472.50 | |
| VARIABLE OPERATING EXPENSES | \$136.10 | | |
| RETURN OVER VARIABLE EXPENSES | | \$336.40 | (GROSS MARGIN) |
| FIXED EXPENSES | \$25.90 | | |
| NET FARM INCOME | | \$310.49 | (RETURN TO CAPITAL, LABOR, LAND & RISK) |
| LABOR AND MANAGEMENT COST | \$77.48 | | |
| NET OPERATING PROFIT | | \$233.01 | (RETURN TO CAPITAL, LAND & RISK) |
| CAPITAL COSTS | \$19.07 | | |
| RETURN TO LAND AND RISK | | \$213.94 | |

TABLE 8. Summary of per acre costs and returns for a 100 acre farm with above average management, De Baca County, 2001

| | ALFALFA ESTABLISHMENT | ALFALFA HAY | WHEAT FOR GRAIN -----FLOOD----- | OAT HAY | HYGEAR |
|----------------------------------|--------------------------|----------------|---------------------------------------|------------|----------|
| | | TONS | BU | TONS | TONS |
| PRIMARY YIELD | | 5.00 | 65.00 | 2.50 | 4.50 |
| PRIMARY PRICE | | 140.00 | 4.50 | 120.00 | 105.00 |
| GOVERNMENT PAYMENTS | | 0.00 | 30.81 | 0.00 | 0.00 |
| SECOND INCOME | | 12.50 | 25.00 | 0.00 | 0.00 |
| GROSS RETURN | | \$712.50 | \$348.31 | \$300.00 | \$472.50 |
| CASH OPERATING EXPENSES | | | | | |
| SEED | \$75.00 | | \$10.40 | \$40.00 | \$42.00 |
| FERTILIZER | | \$42.90 | \$21.60 | \$14.40 | \$14.40 |
| CHEMICALS | | \$32.18 | | | |
| CROP INSURANCE | | | \$2.94 | | |
| OTHER PURCHASED INPUTS | | \$16.77 | | \$8.36 | |
| CANAL WATER | | \$42.50 | \$42.50 | \$42.50 | \$21.25 |
| FUEL, OIL & LUBRICANTS-EQUIPMENT | \$20.08 | \$17.68 | \$11.88 | \$15.35 | \$16.14 |
| FUEL-IRRIGATION | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| REPAIRS | \$5.27 | \$10.48 | \$3.01 | \$5.09 | \$5.51 |
| CUSTOM CHARGES | | | \$30.50 | | |
| LAND TAXES | | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| OTHER EXPENSES | \$0.01 | \$73.61 | \$73.61 | \$36.81 | \$36.81 |
| TOTAL CASH EXPENSES | \$100.36 | \$236.12 | \$196.44 | \$162.51 | \$136.10 |
| RETURN OVER CASH EXPENSES | (\$100.36) | \$476.38 | \$151.87 | \$137.49 | \$336.40 |
| FIXED EXPENSES | \$39.74 | \$79.71 | \$19.27 | \$25.30 | \$25.90 |
| TOTAL EXPENSES | \$140.10 | \$315.83 | \$215.71 | \$187.81 | \$162.01 |
| NET FARM INCOME | (\$140.10) | \$396.67 | \$132.60 | \$112.19 | \$310.49 |
| LABOR AND MANAGEMENT COSTS | \$59.71 | \$112.06 | \$63.22 | \$66.18 | \$77.48 |
| NET OPERATING PROFIT | (\$199.81) | \$284.61 | \$69.38 | \$46.01 | \$233.01 |
| CAPITAL COSTS | | | | | |
| INTEREST ON OPERATING CAPITAL | | \$5.57 | \$3.60 | \$4.55 | \$3.46 |
| INTEREST ON EQUIPMENT INVESTMENT | | \$23.98 | \$10.58 | \$15.20 | \$15.60 |
| TOTAL CAPITAL COSTS | \$0.00 | \$29.55 | \$14.18 | \$19.75 | \$19.07 |
| RETURN TO LAND AND RISK | (\$199.81) | \$255.06 | \$55.19 | \$26.26 | \$213.94 |

TABLE 9. Whole farm summary, De Baca County, 2003.

| | | |
|----------------------------------|----------|----------|
| GROSS RETURNS | | |
| ALFALFA HAY | 65 ACRES | |
| CROP | | \$45,500 |
| GRAZING | | \$813 |
| WHEAT FOR GRAIN | 17 ACRES | |
| CROP | | \$4,973 |
| GRAZING | | \$425 |
| ASCS DEFICIENCY | | \$524 |
| COUNTER CYCLICAL PAYMENT | | \$0 |
| OAT HAY | 10 ACRES | |
| CROP | | \$3,000 |
| HYGEAR | 17 ACRES | |
| CROP | | \$8,033 |
| GROSS RETURN | | \$63,266 |
| CASH OPERATING EXPENSES | | |
| SEED | | \$2,266 |
| FERTILIZER | | \$3,545 |
| CHEMICALS | | \$2,092 |
| CROP INSURANCE | | \$50 |
| OTHER PURCHASED INPUTS | | \$1,174 |
| CANAL WATER | | \$4,271 |
| FUEL, OIL & LUBRICANTS-EQUIPMENT | | \$2,040 |
| FUEL-IRRIGATION | | \$0 |
| REPAIRS | | \$945 |
| CUSTOM CHARGES | | \$519 |
| LAND TAXES | | \$0 |
| OTHER EXPENSES | | \$7,030 |
| TOTAL CASH EXPENSES | | \$23,931 |
| RETURN OVER CASH EXPENSES | | \$39,335 |
| FIXED EXPENSES | | \$4,121 |
| TOTAL EXPENSES | | \$28,052 |
| NET FARM INCOME | | \$35,214 |
| LABOR AND MANAGEMENT COSTS | | \$11,114 |
| NET OPERATING PROFIT | | \$24,101 |
| CAPITAL COSTS | | |
| INTEREST ON OPERATING CAPITAL | | \$527 |
| INTEREST ON EQUIPMENT INVESTMENT | | \$2,156 |
| TOTAL CAPITAL COSTS | | \$2,683 |
| RETURN TO LAND AND RISK | | \$21,417 |

| LAND VALUE | RETURN TO RISK* | RETURN ON INVESTMENT** |
|---------------|-----------------|------------------------|
| \$1,000 /ACRE | \$17,417 | 20.13% |
| \$2,000 /ACRE | \$13,417 | 10.97% |
| \$3,000 /ACRE | \$9,417 | 7.54% |
| \$4,000 /ACRE | \$5,417 | 5.74% |
| \$5,000 /ACRE | \$1,417 | 4.64% |

* RETURN TO LAND AND RISK MINUS (INTEREST RATE TIMES LAND VALUE TIMES ACREAGE)

** NET OPERATING PROFIT DIVIDED BY (MACHINERY AND EQUIPMENT VALUE PLUS LAND VALUE)